# GOVERNMENT OF INDIA
# CORPORATE AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:1987
ANSWERED ON:23.08.2012
NCLT AND NCLAT QUESTION
Mitra Shri Somendra Nath

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

(a) the present status of setting up of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT); and

(b) the role and benefit of these tribunals ?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N.SINGH)

(a) The Companies Bill, 2011 which, inter-alia, provides for setting up of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) has been introduced in the Lok Sabha on 14.12.2011. The Bill was referred to Honorable Parliamentary Standing Committee on Finance, which presented its report/recommendations to the Hon'ble Speaker, Lok Sabha on 26.06.2012. The report of the Committee has been laid in the Parliament on 13.08.2012. These Tribunals can become operational only after the enactment of the said Bill.

(b) The establishment of NCLT and NCLAT will benefit to:-

(i) avoid multiplicity and levels of litigation before High Courts and quasi-judicial Authorities like Company Law Board (CLB), Board for Industrial and Financial Reconstruction (BIFR) and Appellate Authority for Industrial and financial Reconstruction (AAIFR) as all such matters will then be heard and decided by NCLT; and

(ii) streamline the appellate procedure with an appeal against order of the NCLT lying before NCLAT and with further appeal against the order of NCLAT lying with the Supreme Court only on points of law, thereby reducing the delay in appeals.